

**Energy Conservation Assistance Act (ECAA)**

**American Recovery and Reinvestment Act (ARRA)**

# **LOW INTEREST LOANS**

No application fees, points, or hidden costs

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**Interest Rate  
3%**

**FINANCING FOR ENERGY EFFICIENCY  
& ENERGY GENERATION PROJECTS**

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# **APPLICATION**



**ARNOLD SCHWARZENEGGER**  
Governor

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California Energy Commission

<http://www.energy.ca.gov/efficiency/financing/index.html>

Phone: (916) 654-4104

# FINANCING FOR ENERGY EFFICIENCY

## Who is Eligible?

For the first 30 days following release of the loan solicitation, the Energy Commission will accept loan applications on a first-come, first-serve basis from small California cities and counties receiving their Energy Efficiency and Conservation Block Grant (EECBG) funding directly from the California Energy Commission.

Following this initial 30-day period, the Energy Commission will accept loan applications on a first-come, first-served basis for eligible energy projects from all eligible entities.

## How Much Funding is Available?

Approximately \$3.6 million is currently available. The maximum loan amount is \$3 million per application. There is no minimum loan amount.

The Energy Commission reserves the right to increase the amount of funds under this solicitation if and when additional loan funds become available.

## What is the Funding Source?

Funds used in this solicitation originate from one or more of the following:

- American Reinvestment and Recovery Act (ARRA)
- Bond Proceeds from ECAA Tax-Exempt Revenue Bonds
- Energy Conservation Assistance Act (ECAA)

## Does it Make a Difference Which Funding Source is Used for the Loan?

Yes.

The Energy Commission reserves the right to select the source of the funds for each loan. In addition, the Energy Commission

reserves the right to either reduce the loan amount requested if insufficient funds are available under one or more funding sources for which the project is eligible or if the Energy Commission determines that utilizing multiple funding sources is not administratively feasible. The different funding sources will result in different requirements for the application and the loan terms.

### ➤ *ARRA*

- **Application:**  
When completing the application, applicants can decide whether to complete the ARRA portions. The Energy Commission will notify applicants if ARRA funding is proposed for the loan, and work with applicants to ensure ARRA application requirements are met.
- **Loan Terms:**  
The terms include compliance with specific reporting, prevailing wage and other federal requirements. In particular, see Exhibit D, Federal requirements.

### ➤ *Bond*

- **Application:**  
There are no additional requirements for the application.
- **Loan Terms:**  
The Energy Commission will also notify applicant if bond funds are proposed for the loan, and will ensure that the applicant is aware of special bond and tax requirements. The terms include compliance with federal bond and tax requirements. In particular, see Exhibit D, Tax Certificate.

### ➤ *ECAA*

- There are no additional requirements for the application or terms.

Applicants can review the terms for the funding sources as attachments to this solicitation.

### **Does Your Facility Qualify?**

Loans are available to cities, counties, public schools, public colleges and universities, public care institutions, and public hospitals. Existing buildings or other energy using facilities are eligible. Some funding for new construction may also be eligible.

### **When Should You Submit Your Application?**

Funds are limited and complete applications for funding will be processed on a first come, first serve basis, and reviewed by technical staff. Applications are deemed complete if they include all necessary documentation to verify eligibility and compliance with all requirements, including federal American Recovery and Reinvestment Act (ARRA) requirements, if applicable.

The Energy Commission reserves the right to close the solicitation period at any time, so don't delay.

### **What projects are eligible?**

Projects with proven energy and/or capacity savings are eligible, provided they meet the ECAA eligibility requirements. However, ARRA funded loans prohibit funding some projects.

### **Examples of qualified projects:**

- Lighting systems
- Heating, ventilating and air conditioning systems
- Light emitting diode (LED) traffic signals
- Energy management systems and equipment controls
- Pumps and motors
- Cogeneration systems
- Renewable energy projects

Projects already funded with an existing loan or already installed are ineligible.

### **What projects are prohibited?**

ARRA-funded loans are prohibited from funding projects associated with:

- Swimming Pools
- Gambling Establishments
- Aquariums
- Zoos
- Golf Courses

### **What are the requirements for ARRA funded loans?**

In addition to the prohibitions listed above, ARRA funded loans have extensive federal requirements. The Energy Commission will determine which projects are funded through ARRA and will contact Applicants to ensure ARRA compliance can be fully met prior to approving the loan application.

ARRA has extensive accountability requirements for tracking and monthly reporting of the funds. Loan recipients must account for these funds separately to meet ARRA federal reporting requirements.

In addition, ARRA funded loans must adhere to the following:

- Projects must be completed and loans fully disbursed (i.e. all invoices must be submitted and paid) on or before March 31, 2012.
- Recipients must adhere to all ARRA monthly reporting, auditing and other requirements as detailed in the loan agreement.
- ARRA loan funds may only be used to supplement and may not be used to supplant funds already committed or expected to be received in support of the loan funded project.
- Recipients must have DUNS Number. *Dun & Bradstreet (D&B) is a unique nine digit identification number. To request your D-U-N-S Number via the Web go to: [www.dnb.com/us/duns\\_update](http://www.dnb.com/us/duns_update)*
- Recipients must be registered with Central Contractor Registration (CCR). *To register via the Web go to: [www.bpn.gov/ccr/default.aspx](http://www.bpn.gov/ccr/default.aspx)*

- Recipients must be in full compliance with the Single Audit Act requirements. For more information please [visit](#) the California State Controller's website at:

[www.sco.ca.gov/aud\\_single\\_audits.html](http://www.sco.ca.gov/aud_single_audits.html)

- Loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project.

### **Additional ARRA Federal Requirements**

ARRA-funded loans must comply with various federal requirements as specified in the loan agreements and attachments.

Applicants should give special consideration to the select requirements that follow, as these requirements may have a significant impact on the applicant's proposed project.

- 1. National Environmental Policy Act (NEPA):** Loan recipients are restricted from taking any action using federal ARRA funds for projects that would have an adverse effect on the environment or limit the choice of reasonable alternatives prior to U.S. Department of Energy (DOE) providing a final NEPA determination regarding these projects.

**Loan applicant must complete the NEPA Compliance Form** (included as Attachment 1), which contains additional information about NEPA.

- 2. National Historic Preservation Act (NHPA):**

**All ARRA funded Loan applicants must submit a consultation request letter.** A consultation request must be submitted even if the project does not involve a historic sight.

For additional information on NHPA requirements, please see the National Historic Preservation Act Forms (included as Attachments 3 and 4).

Projects involving a building or structure that is included in the National Register of Historic Places (NRHP) or eligible for inclusion in the NRHP require additional documentation.

- 3. Davis-Bacon Act (Federal prevailing wage law):** In accordance with ARRA Section 1606, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA must be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (Davis Bacon Act).

For additional information on Davis-Bacon Act requirements; please see the Davis-Bacon Act Questions and Answers available at:

[www.energy.ca.gov/efficiency/financing/](http://www.energy.ca.gov/efficiency/financing/)

- 4. Buy American Act:** ARRA funds may not be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel and manufactured goods used in the project are produced in the United States in a manner consistent with United States obligations under international agreements. This requirement may only be waived by the applicable federal agency in limited situations, as specified in ARRA.

Guidelines from the Department of Energy are available at:

[http://www1.eere.energy.gov/recovery/buy\\_american\\_provision.html](http://www1.eere.energy.gov/recovery/buy_american_provision.html)

### **When Can You Start Your Project?**

Your loan agreement must be fully executed before you can start your project. ARRA funded project have additional requirements pertaining to project inception.

Only project-related costs that are incurred and paid for after Energy Commission's loan execution may be included in the loan request.

Applicants assume all financial risk should the Energy Commission not approve the application or if all loan documents are not executed. If the loan is not approved or

executed, the Energy Commission is not responsible for reimbursement of any costs.

### Criteria for Loan Approval

A feasibility study is required to verify estimated energy savings. Projects must be technically and economically feasible. Loans must be repaid from energy cost savings within 15 years, including principal and interest (approximately 11 years simple payback).

Simple payback is calculated by dividing the amount of the loan by the anticipated first year's annual energy cost savings:

$$\text{Simple Payback (yrs)} = \frac{\text{Amount of Loan (\$)}}{\text{Anticipated Annual Energy Cost Savings (\$/yr)}}$$

### Interest Rate

The interest rate is fixed for the term of the loan.

- The loan term cannot exceed the useful life of loan-funded equipment.
- Only approved project-related costs with invoices dated after loans are officially executed by the Energy Commission are eligible to be reimbursed from loan funds.

### Loan Security Requirements

It's simple. A promissory note and a loan agreement between you and the Energy Commission are all that is required to secure the loan. Please call to get a copy of these documents or [they](#) can be found as attachments to this solicitation.

### How Are Funds Disbursed?

The funds are available on a reimbursement basis. For each reimbursement request, receipts and invoices for incurred expenses must be submitted along with proof of payment.

The final 10 percent of the funds will be retained until the project is completed.

Interest is charged on the unpaid principal computed from the date of each disbursement to the borrower.

### Repayment Terms

The repayment schedule is based on the estimated annual projected energy cost savings from the aggregated project(s), using energy costs and operating schedules at the time of loan approval.

ARRA funded loans will be amortized on the estimated annual energy cost savings achieved by the loan-funded project.

Applicants will be billed twice a year after the projects are completed.

### ATTACHMENTS

- Attachment A: ARRA Loan Documents
- Attachment B: Bond Loan Documents
- Attachment C: ECAA Loan Documents

# THE APPLICATION

**How Do You Apply?** Unless otherwise specified in the “Other Information” column, just submit the information shown below.

Attach to application	Copies Needed	Other Information
Completed and signed loan application	Original plus one copy	
Completed Summary of Recommended Energy Efficiency Measures in Loan Request Table	One copy	
Feasibility Study	One copy	The study must contain: a) description of energy efficiency projects and buildings/ facilities affected by these projects, b) discussion of baseline energy use for the affected facilities, including annual energy related utility bills, c) all calculations and assumptions to support the technical feasibility and energy savings of the recommended projects, d) proposed budget detailing all project costs, and e) proposed schedule for implementation of the projects.
Copy of a signed resolution, motion, order, etc. from your governing board (see sample).	One copy	The resolution must be submitted with the application. The title of the official signing the loan agreement should be the same one named in the resolution, motion, or order.

(Continued on next page)

**For Help Call (916) 654-4104**

(CONTINUED)

Attach to application	Copies Needed	Other Information
California Environmental Quality Act (CEQA) Compliance Documentation  Attachment 5	One copy	Include a copy of documentation demonstrating that the applicant has complied with CEQA in approving the project. There are three possible actions the applicant can take. The applicant could determine that the activity undertaken by the loan is:  <ol style="list-style-type: none"><li>1. Not a project (include analysis supporting the conclusion that the activity is not a project); or</li><li>2. A project that is exempt (include the Notice of Exemption); or</li><li>3. The project is not exempt, in which case the applicant should indicate which type of environmental document it has prepared:<ul style="list-style-type: none"><li>-- Negative Declaration (include the Notice of Determination)</li><li>-- Mitigated Negative Declaration (include the Notice of Determination)</li><li>-- Environmental Impact Report (include the Notice of Determination.)</li></ul></li></ol>
Copy of Resolution /agenda item	One copy	The resolution/ agenda item must include the finding on CEQA compliance. <ul style="list-style-type: none"><li>• If the CEQA finding is in the agenda item, include both the item and the resolution.</li><li>• If the CEQA finding is in the resolution, application does not need to include a copy of the agenda item</li></ul>

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**For Help Call (916) 654-4104**



Attach to application	Copies Needed	Other Information
<b>For ARRA Funded Loans Only:</b>  National Historic Preservation Act (NHPA) Compliance Documentation  Attachments 3 and 4	One copy	All applicants must review and follow the steps delineated in Attachments 3 and 4 and submit documentation to the Energy Commission that demonstrates the project is compliant with the NHPA. Include documentation demonstrating that the applicant has complied with the NHPA by consulting with the California State Historic Preservation Officer (SHPO) and, if applicable, the Tribal Historic Preservation Officer (THPO), as required by Section 106 of the NHPA.
<b>For ARRA Funded Loans Only:</b>  National Environmental Policy Act (NEPA) Compliance Documentation  Attachment 1 and Attachment 2, if applicable	Original	Include completed copy of the NEPA Compliance Form (Attachment 1). If the applicant is unable to certify that the proposed project falls within one of the DOE-established categorical exclusions for NEPA, the applicant must additionally submit a NEPA environmental questionnaire (Attachment 2).

#### **Where Do I Submit My Application?**

Send your application package with the specified copies to:

California Energy Commission  
Special Projects Office  
Attn: Loan Program  
1516 Ninth Street, MS-23  
Sacramento, CA 95814-5512

#### **Who Do I Contact?**

Call or email the California Energy Commission to discuss project and facility eligibility, funding availability, and application requirements.

(916) 654-4104  
Email: PubProg@energy.state.ca.us

A copy of the loan agreement and Exhibit D is available for downloading as an Adobe Acrobat Portable Document Format (PDF) or Microsoft Word document at:

<http://www.energy.ca.gov/efficiency/financing/>

Energy Commission staff will review your loan application. It may be necessary to arrange a site visit to discuss your project and loan request.



# APPLICATION FOR ENERGY COMMISSION FINANCING Interest Rate 3%

## 1. APPLICANT INFORMATION

Applicant/Legal Name:		
DUNS* Number:		
Attach additional documentation (see Table on previous page showing items to attach to application)		
Mailing Address:	City:	Zip:
Street Address:	City:	Zip:
County:		
Contact Person:	Title:	
Tax ID #:	Congressional District:	
E-mail:	Phone:	Fax:

\*DUNS Number is issued by Dun & Bradstreet (D&B). It is a unique nine digit identification number. To request your D-U-N-S Number via the Web go to: [www.dnb.com/us/duns\\_update](http://www.dnb.com/us/duns_update)

## 2. PROJECT INFORMATION

- A. Has any funding (such as local funds or other available funds) been previously committed or approved for this project?

☐ Yes. Please complete Section B:  
☐ No.

B.

Source of Funds approved/committed:
Provide details:
Amount of funding approved:

*ARRA loan funds may only be used to supplement and may not be used to supplant funds already committed or expected to be received in support of the loan funded project.*

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C. Has your agency applied for, expect to apply for, or received any utility rebates/incentives?

- ☐ Yes. Please complete Section D:  
☐ No.

D.

Source of Rebates/Incentives:
Amount:

### 3. PROJECT SCHEDULE

Estimated start date:
Estimated completion date:
<ul style="list-style-type: none"><li>• <b><i>ARRA funded projects must be completed and loans fully disbursed on or before March 31, 2012.</i></b></li></ul>

### 4. PROJECT BUDGET

Total project costs (include all installation costs):
Amount requested from the Energy Commission:

### 5. NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) COMPLIANCE

***[NOTE: This section is required for ARRA funded loans only. Applicants may choose to complete the requirements in this section or wait for Energy Commission notification that the loan will be funded with ARRA funds. However, ARRA-funded loan applications will not be deemed complete until all ARRA application requirements are fully met, including compliance with NEPA]***

A. Has your agency completed the NEPA Compliance Form ([Attachment 1](#)) and included it with the loan application?

- ☐ Yes, Go to B.  
☐ No, STOP: Please complete NEPA Compliance Form and submit it with the loan application.

B. Does proposed loan-funded project fall within one of the DOE-established categorical exclusions for NEPA?

- ☐ Yes, Go to Question 6.  
☐ No, Go to C.

- C. If no to question B, has your agency completed the NEPA environmental questionnaire and included it with the loan application?

- ☐ Yes, Go to Question 6.
- ☐ No, STOP: Please complete NEPA environmental questionnaire and submit it with the loan application. See Attachment 2.

## 6. NATIONAL HISTORIC PRESERVATION ACT (NHPA) COMPLIANCE

***[NOTE: This section is required for ARRA funded loans only. Applicants may choose to complete the requirements in this section or wait for Energy Commission notification that the loan will be funded with ARRA funds. However, ARRA-funded loan applications will not be deemed complete until all ARRA application requirements are fully met, including compliance with NHPA.]***

- A. Has your agency complied with the NHPA by consulting with the SHPO and, if applicable, the THPO, as required by Section 106 of the NHPA.
- ☐ Yes, Go to B.
  - ☐ No, STOP: Your agency must satisfy the consultation process as required by Section 106 of the NHPA. To initiate the consultation process, your agency must submit a letter of request to the SHPO that includes certain minimum information as delineated in Attachments 3 and 4.
- B. Has the SHPO concluded that the proposed project will have no adverse effects on any historic resources and issued your agency a written response to this effect.
- ☐ Yes, submit copies of your agency's letter of request to the SHPO and the SHPO's written response with your loan application. Go to Question 7.
  - ☐ No, Go to C.
- C. If the SHPO has concluded that the proposed project will have adverse effects on historic resources, your project must be modified to avoid, minimize and mitigate these adverse effects in order to qualify for ARRA loan funds.

## 7. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE

The entire CEQA statute and Guidelines current as of January 1, 2009 can be found at: <http://www.califaep.org/userdocuments/File/2009%20CEQA%20Statute%20and%20Guidelines%20.pdf>.

- A. Is there documentation demonstrating your compliance with CEQA?
- ☐ Yes, Go to B.
  - ☐ No, STOP: Please complete CEQA compliance documentation (Attachment 5) before submitting application.
- B. What finding did your governing body make? Activity funded by the loan is:
- ☐ Not a project.
  - ☐ Is a project, and is exempt: List applicable exemption:  
\_\_\_\_ Statutory (list code section): \_\_\_\_\_

- \_\_\_ Categorical (list section from CEQA Guidelines): \_\_\_ 14 CCR \_\_\_\_\_
- ☐ Is a project that is not exempt? Applicant prepared the following environmental document:
- \_\_\_ Initial study + Negative Declaration
  - \_\_\_ Initial study + Mitigated Negative Declaration
  - \_\_\_ Environmental Impact Report
  - \_\_\_ Other (describe)

Notice of Determination filed? Date: \_\_\_\_\_

## 8. SINGLE AUDIT ACT REQUIREMENTS

***[NOTE: This section is required for ARRA funded loans only. Applicants may choose to complete the requirements in this section or wait for Energy Commission notification that the loan will be funded with ARRA funds. However, ARRA-funded loan applications will not be deemed complete until all ARRA application requirements are fully met, including compliance with the Single Audit Act.]***

Please select one of the following:

- ☐ We are in full compliance with Single Audit Act requirements.
- ☐ We are exempt from Single Audit Act requirements.
- ☐ We are unsure whether we are in compliance with the Single Audit Act requirements. We have contacted the California State Controller's Office at [singleaudits@sco.ca.gov](mailto:singleaudits@sco.ca.gov) to determine our status.
- ☐ We are not in compliance with Single Audit Act requirements. Please explain:

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## 9. WHERE DID YOU HEAR ABOUT OUR PROGRAM?

Please tell us where you heard about our loan program.

- ☐ Energy Commission Website
- ☐ Energy Commission Staff Presentation
- ☐ Literature at Trade Show or Workshop
- ☐ Utility Company
- ☐ Recommendation by Another Public Agency
- ☐ Other (please specify) \_\_\_\_\_

## 10. CERTIFICATION

To the best of my knowledge and belief, the data in this application are correct and complete.

Name of Authorized Representative:		
Title:		
Signature of Authorized Representative:		
Date:	Phone:	Email:

**For Help Call (916) 654-4104**

## Summary of Recommended Energy Efficiency Measures in Loan Request

For each application, list the projects for which you are requesting a loan and identify the savings, project cost and payback for each project. Total the savings and project cost at the end of the table. Insert more rows as needed.

Project	Peak Demand Savings (kW)	Annual Electric Savings (kWh)	Annual Natural Gas Savings (therms)	Annual Other Energy Savings (specify units)	Annual Cost Savings	Project Installation Cost	Simple Payback (years)
<i>Example: Install T8 lamps and electronic ballasts</i>	48	266,405	0	0	\$24,113	\$100,790	4.2
<b>TOTAL</b>							

**For Help Call (916) 654-4104**

## SAMPLE RESOLUTION

RESOLUTION NO. \_\_\_\_\_

### Resolution of

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*Name of Institution or Organization*

WHEREAS, the California Energy Commission provides loans to schools, hospitals, local governments, special districts, and public care institutions to finance energy efficiency improvements;

NOW THEREFORE, BE IT RESOLVED, that \_\_\_\_\_

*Governing Body*

authorizes \_\_\_\_\_ to apply for an energy efficiency

*Name of Institution or Organization*

loan from the California Energy Commission to implement energy efficiency measures.

BE IT ALSO RESOLVED, that in compliance with the California Environmental Quality Act (CEQA), \_\_\_\_\_ (Governing Body) finds that the activity funded by the loan is \_\_\_\_\_ (not a project because \_\_\_\_ ) or (a project that is exempt under \_\_\_\_ because \_\_\_\_ ) or (a project and \_\_\_\_ document was prepared.)

BE IT ALSO RESOLVED, that if recommended for funding by the California Energy Commission, the \_\_\_\_\_ authorizes \_\_\_\_\_

*Governing Body*

*Institution or Organization*

to accept a loan up to \$\_\_\_\_\_.

*Loan amount requested*

BE IT ALSO RESOLVED, that the amount of the loan will be paid in full, plus interest, under the terms and conditions of the Loan Agreement, Promissory Note and Tax Certificate of the California Energy Commission.

BE IT FURTHER RESOLVED, that \_\_\_\_\_ is hereby

*Title of Designated Official*

authorized and empowered to execute in the name of \_\_\_\_\_

*Institution or Organization*

all necessary documents to implement and carry out the purpose of this resolution, and to undertake all actions necessary to undertake and complete the energy efficiency projects.

Passed, Approved and Adopted this \_\_\_\_\_ day of \_\_\_\_\_,

*Month*

*Year*

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Governing Board Representatives:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## ATTACHMENT 1

### STATE ENERGY PLAN (SEP) NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) COMPLIANCE FORM

The National Environmental Policy Act (NEPA) requires federal agencies to consider the potential environmental impacts of their proposed actions. Awards issued under this loan program will be funded pursuant to a grant (DE-EE0000221) from the U.S. Department of Energy (DOE) to the Energy Commission that consists of American Recovery and Reinvestment Act of 2009 (ARRA) State Energy Program (SEP) funds. DOE must comply with NEPA when awarding grants to states. Accordingly, recipients of awards issued under this loan program may not take any action using federal funds for projects that would have an adverse effect on the environment or limit the choice of reasonable alternatives prior to DOE providing a final NEPA determination regarding these projects.

NEPA requires federal agencies to prepare a brief environmental analysis called an environmental assessment (EA) or a detailed analysis called an environmental impact statement (EIS), unless the project is categorically excluded from NEPA review. For additional information about NEPA, please visit:

- DOE's NEPA website at <http://www.gc.energy.gov/NEPA/>;
- The "NEPA" section of DOE's recovery Act Clearinghouse at [https://recoveryclearinghouse.energy.gov/#NATIONAL ENVIRONMENTAL POLICY ACT NEPA](https://recoveryclearinghouse.energy.gov/#NATIONAL_ENVIRONMENTAL_POLICY_ACT_NEPA); or
- The White House Council on Environmental Quality's *Citizen's Guide to the NEPA* at [http://www.nepa.gov/ntf/Citizens\\_Guide\\_Dec07.pdf](http://www.nepa.gov/ntf/Citizens_Guide_Dec07.pdf)

#### Categorically Excluded Projects

DOE has determined that the following SEP activities are categorically excluded from NEPA review, meaning that they do not require preparation of an EA or an EIS:

- Energy efficiency retrofits, provided that the projects are limited to installation of insulation; installation of energy efficient lighting; HVAC upgrades; weather sealing; purchase and installation of ENERGY STAR appliances; replacement of windows and doors; high efficiency shower/faucet upgrades; and installation of solar powered appliances with improved efficiency.
- Development, implementation, and installation of onsite renewable energy technology that generates electricity from renewable resources, provided that projects are limited to the following:
  - Solar Electricity/Photovoltaic – appropriately sized system or unit on existing rooftops and parking shade structures; or a 60 kW system or smaller unit installed on the ground within the boundaries of an existing facility.
  - Wind Turbine – 20 kW or smaller.
  - Solar Thermal – system must be 20 kW or smaller.
  - Solar Thermal Hot Water – appropriately sized for residences or small commercial buildings.
  - Ground Source Heat Pump – 5.5 tons of capacity or smaller, horizontal/vertical, ground, closed-loop system.
  - Combined Heat and Power System – boilers sized appropriately for the buildings in which they are located.
  - Biomass Thermal – 3 MMBtus per hour or smaller system with Best Available Control Technologies (BACT) installed and operated.
- Development, implementation and installation of energy efficient or renewable energy-powered emergency systems (lighting, cooling, heat, shelter) installed in existing buildings and facilities.

- Installation of alternative fueling pumps and systems (but not storage tanks) installed on existing facilities (other than a large biorefinery); purchase of alternative fuel vehicles.
- Development and implementation of training programs.
- Development and implementation of building codes and inspection services, and associated training and enforcement of such codes in order to support code compliance and promote building energy efficiency.
- Implementing financial incentive programs such as rebates and energy savings performance contracts for existing facilities or for energy efficient equipment, provided that the incentives are not so large that they would be deemed to be grants that create projects that would not otherwise exist.
- Installation of dual technology occupancy sensors for all intermittently occupied spaces.
- Installation of National Electrical Manufacturers Association (NEMA) approved premium efficiency electric motors.
- Installation of variable frequency drives (VFDs) for all electric motors fans and pumps.
- Installation of vending machine controllers.
- Installation of programmable thermostats.
- Installation of sensors, software and equipment controls for the purposes of increasing energy efficiency.
- Installation of replacement high-efficiency kitchen equipment and controls.
- Installation of cool roof material that reduces roof heat absorption and reflect solar heat gain to reduce cooling energy load.
- Installation of window film or shading materials to reduce solar energy transmission into conditioned space.
- Installation of heat recovery devices to recover waste heat from existing air or water system to increase heating and/or cooling energy efficiency.
- Installation of instantaneous hot water systems that reduce standby heat loss and water pumping energy of domestic hot water boiler.
- Commissioning and retrocommissioning of building energy using equipment (lighting, HVAC and domestic hot water systems) to ensure that the equipment performs as designed.

*Categorical exclusions are not absolute.* A project that falls within one of the categories listed above may require additional NEPA review if it involves “extraordinary circumstances” that may affect the significance of its environmental effects. “Extraordinary circumstances” are defined as “unique situations presented by specific proposals, such as scientific controversy about the environmental effects of the proposal; uncertain effects or effects involving unique or unknown risks; or unresolved conflicts concerning alternate uses of available resources within the meaning of section 102(2)(E) of NEPA [42 U.S.C. § 4332(E)].”<sup>1</sup>

### **Projects Not Categorically Excluded**

Projects not listed above (including but not limited to: renewable energy projects such as large wind and solar generation facilities, large combined heat and power systems, bioenergy generation and waste disposal systems, and clean energy technology projects) will require individual NEPA review and determination. **Loan applicants must submit a NEPA environmental questionnaire (Attachment 2) if their proposed projects do not fall within the above excluded project activities.** The completed NEPA environmental questionnaire will be forwarded to DOE for its individual NEPA review and determination. If the loan applicant moves forward with activities that are not authorized for federal funding by DOE in advance of the final NEPA determination, it will do so at risk of not receiving federal funding, and such costs may not be recognized as allowable cost share.

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<sup>1</sup> 10 C.F.R. § 1021.410(b).

If DOE determines that NEPA requires the preparation of an environmental assessment (EA) or environmental impact statement (EIS) for a proposed project, the loan applicant will be responsible for paying the cost of preparing an EA or EIS. **Preparation of these types of NEPA documents can require 6-24 months.** Accordingly, applicants should carefully consider whether such projects are consistent with the objectives of the ARRA and will allow the expenditure of funds by the March 31, 2012 dead line.

**To be completed by loan applicants:**

**Application of NEPA to Proposed Project: Certification of Applicant's Legal Representative**

An authorized legal representative of the applicant must certify the following, to the best of his/her knowledge:

- ☐ The proposed project is categorically excluded from NEPA because it falls within the following category (ies): (check all that apply)
  - ☐ Energy efficiency retrofits, provided that the projects are limited to installation of insulation; installation of energy efficient lighting; HVAC upgrades; weather sealing; purchase and installation of ENERGY STAR appliances; replacement of windows and doors; high efficiency shower/faucet upgrades; and installation of solar powered appliances with improved efficiency.
  - ☐ Development, implementation, and installation of onsite renewable energy technology that generates electricity from renewable resources, provided that projects are limited to the following:
    - ☐ Solar Electricity/Photovoltaic – appropriately sized system or unit on existing rooftops and parking shade structures; or a 60 kW system or smaller unit installed on the ground within the boundaries of an existing facility.
    - ☐ Wind Turbine – 20 kW or smaller.
    - ☐ Solar Thermal – system must be 20 kW or smaller.
    - ☐ Solar Thermal Hot Water – appropriately sized for residences or small commercial buildings.
    - ☐ Ground Source Heat Pump – 5.5 tons of capacity or smaller, horizontal/vertical, ground, closed-loop system.
    - ☐ Combined Heat and Power System – boilers sized appropriately for the buildings in which they are located.
    - ☐ Biomass Thermal – 3 MMBtus per hour or smaller system with Best Available Control Technologies (BACT) installed and operated.
  - ☐ Development, implementation and installation of energy efficient or renewable energy-powered emergency systems (lighting, cooling, heat, shelter) installed in existing buildings and facilities.
  - ☐ Installation of alternative fueling pumps and systems (but not storage tanks) installed on existing facilities (other than a large biorefinery); purchase of alternative fuel vehicles.
  - ☐ Development and implementation of training programs.
  - ☐ Development and implementation of building codes and inspection services, and associated training and enforcement of such codes in order to support code compliance and promote building energy efficiency.

- ☐ Implementing financial incentive programs such as rebates and energy savings performance contracts for existing facilities or for energy efficient equipment, provided that the incentives are not so large that they would be deemed to be grants that create projects that would not otherwise exist.
- ☐ Installation of dual technology occupancy sensors for all intermittently occupied spaces.
- ☐ Installation of National Electrical Manufacturers Association (NEMA) approved premium efficiency electric motors.
- ☐ Installation of variable frequency drives (VFDs) for all electric motors, fans and pumps.
- ☐ Installation of vending machine controllers.
- ☐ Installation of programmable thermostats.
- ☐ Installation of sensors, software and equipment controls for the purposes of increasing energy efficiency.
- ☐ Installation of replacement high-efficiency kitchen equipment and controls.
- ☐ Installation of cool roof material that reduces roof heat absorption and reflect solar heat gain to reduce cooling energy load.
- ☐ Installation of window film or shading materials to reduce solar energy transmission into conditioned space.
- ☐ Installation of heat recovery devices to recover waste heat from existing air or water system to increase heating and/or cooling energy efficiency.
- ☐ Installation of instantaneous hot water systems that reduce standby heat loss and water pumping energy of domestic hot water boiler.
- ☐ Commissioning and retrocommissioning of building energy using equipment (lighting, HVAC and domestic hot water systems) to ensure that the equipment performs as designed.

- ☐ The proposed project falls within the categories listed above but may involve “extraordinary circumstances” within the meaning of 10 C.F.R. Section 1021.410, for the following reason(s) (attach additional pages if necessary):

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- ☐ The proposed project is not categorically excluded, for the following reason(s) (attach additional pages if necessary):

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The Energy Commission may request additional information in order to clarify answers provided on this form.

**This form was completed by:** \_\_\_\_\_  
Print or Type Name

**Title:** \_\_\_\_\_

**Organization:** \_\_\_\_\_

**Phone Number:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



GO-EF1Q

(2/06/02)

**ATTACHMENT 2**  
**U.S. DEPARTMENT OF ENERGY**  
**NEPA ENVIRONMENTAL QUESTIONNAIRE**

**GOLDEN FIELD OFFICE**

**ENVIRONMENTAL CHECKLIST**  
**(To Be Completed by Potential Recipient)**

The Department of Energy (DOE) is required by the National Environmental Policy Act (NEPA) of 1969 as amended (42 U.S.C. 4332(2), 40 CFR parts 1500-1508) and DOE implementing regulations (10 CFR 1021) to consider the environmental effects resulting from federal actions, including providing financial assistance. Please provide the following information to facilitate DOE's environmental review. DOE needs to evaluate the requested information as part of your award negotiation.

Instructions and Handbook: Terms that appear in blue have more detailed information available to assist you in completing the form. Save the form to your local directory. Leave your internet browser open and open the form in Word from the local directory. Click on the blue term and it will automatically open the handbook at the appropriate place. Click on the back button to return to your form. Or, you may click [here](#) to open the handbook.

**PART I: General Information**

Project

Title: \_\_\_\_\_

Solicitation Number: \_\_\_\_\_

1. Please describe the intended use of DOE funding in your proposed project. For example, would the funding be applied to the entire project or only support a phase of the project? Describe the activity as specifically as possible, i.e. planning, feasibility study, design, data analysis, education or outreach activities, construction, capital purchase and/or equipment installation or modification.

2. Does any part of your project require review and/or permitting by any other federal, state, regional, local, environmental, or regulatory agency? ☐ Yes ☐ No

If yes, please provide a list of required reviews and permits in the appropriate item number in Part II.

3. Has any review (e.g., NEPA documentation, permits, agency consultations) been completed? ☐ Yes ☐ No

If yes, is a finding or report available and how can a copy be obtained?

4. Is the proposed project part of a larger scope of work? ☐ Yes ☐ No

If yes, please describe.

Do you anticipate requesting additional federal funding for subsequent phases of this project? ☐ Yes ☐ No

If yes, please describe.

5. Does the scope of your project **only** involve one or more of the following:

- ☐ Information gathering such as literature surveys, inventories, audits,
- ☐ Data analysis including computer modeling,

- ☐ Document preparation such as design, feasibility studies, analytical energy supply and demand studies, or
- ☐ Information dissemination, including document mailings, publication, distribution, training, conferences, and informational programs.

If the scope of your project is **limited to** the block(s) checked above, please skip to Part III, otherwise, continue to Part II:

## **PART II: Environmental Considerations**

### **Table A**

Please indicate if any of the following conditions or special areas is present, required, or could be affected by your project: (Table A continue to next page)

Item No.	Description	Yes/No	Specific nature or type of activity or condition. If a consultation, approval, or permit applies, please describe.
1	Clearing or Excavation (indicate if greater than 1 acre)		
2	Dredge and/or Fill. Specify the number of acres involved.		
3	New or Modified Federal/State Permits And/or Requests for Exemptions		
4	Pre-Existing Contamination		
5	Asbestos		
6	Criteria Pollutants		
7	Non-Attainment Areas		
8	Class I Air Quality Control Region		
9	Navigable Air Space		
10	Areas with Special Designation (e.g., National Forests, Parks, Trails)		
11	Prime, Unique or Important Farmland		
12	Archeological/Cultural Resources		



**Table A (continued)**

Item No.	Description	Yes/No	Specific nature or type of activity or condition. If a consultation, approval, or permit applies, please describe.
13	Threatened/Endangered Species and/or Critical Habitat		
14	Other Protected Species (Wild Burros, Migratory Birds)		
15	Floodplains		
16	Special Sources of Groundwater (e.g., Sole Source Aquifer)		
17	Underground Extraction/Injection (non-hazardous substances)		
18	Wetlands		
19	Coastal Zones		
20	Public Issues or Concerns		
21	Noise		
22	Depletion of a Non-Renewable Resource		
23	Aesthetics		

**Table B.**

Would your project use, disturb, or produce any chemicals or biological substances? (i.e., pesticides, industrial process, fuels, lubricants, bacteria) If not, skip to Section C.

Please indicate if any of the materials or processes listed below applies (Table B continue to next page)

Item No.	Description	Yes/No	Quantity	Permit required? Type?	Specific type, use, or condition
1	Polychlorinated Biphenyls (PCBs)				
2	Import, Manufacture, or Processing of Toxic Substances				
3	Chemical Storage, Use, and Disposal				

	<b>Table B (continued)</b>				
4	Pesticide Use				
5	<i>Hazardous, Toxic, or Criteria Pollutant Air Emissions</i>				
6	Liquid Effluent				
7	Underground Extraction/Injection (hazardous substances)				
8	Hazardous Waste				
9	Underground Storage Tanks				
10	Biological Materials. Indicate if genetically altered materials are involved.				

### Table C

Would your project require or produce any radiological materials? If not, skip to Part III.  
Please indicate if any of the materials listed below applies.

Item No.	Description	Yes/No	Quantity	Permit required? Type?	Specific nature of use
1	Radioactive Mixed Waste				
2	Radioactive Waste				
3	Radiation Exposures				

### Part III:

#### Contact Information

Please provide the name of the preparer of this form and a contact person who can answer questions or provide additional information.

Preparer	Telephone Number	E-mail Address
_____	_____	_____
Contact	Telephone Number	E-mail Address
_____	_____	_____

### **ATTACHMENT 3**

#### **NATIONAL HISTORIC PRESERVATION ACT PROCEDURES**

Information on the NHPA and the SHPO responsibilities is available from the web site of the Office of Historic Preservation at <http://ohp.parks.ca.gov/>.

Prior to the expenditure of Federal funds to alter any structure or site, the Applicant must comply with the requirements of Section 106 of the National Historic Preservation Act (NHPA), consistent with the U.S. Department of Energy's (DOE's) 2009 letter of delegation of authority regarding the NHPA. Section 106 applies to historic properties that are listed in or eligible for listing in the National Register of Historic Places. In order to fulfill the requirements of Section 106, the Applicant must contact the State Historic Preservation Officer (SHPO), and, if applicable, the Tribal Historic Preservation Officer (THPO), to coordinate the Section 106 review outlined in 36 Code of Federal Regulations (C.F.R.) Part 800.

Section 110(k) of the NHPA applies to DOE-funded activities. The Applicant must avoid taking any action that results in an adverse effect to historic properties pending compliance with Section 106.

To initiate the consultation process with SHPO or THPO, Applicants must submit a letter of request to the SHPO that includes certain minimum information about the proposed project. The letter should be addressed to:

California Energy Commission  
Siting, Transmission and Environmental Protection Division (STEPD)  
Cultural Resources Unit/ATTN: Michelle Messinger  
1516 9th Street, MS-40  
Sacramento, CA 95814-5512

Applicants with any questions concerning the NHPA requirements should contact Michelle Messinger at (916) 654-6960 or by e-mail at: [mmessing@energy.state.ca.us](mailto:mmessing@energy.state.ca.us)

The consultation request must include the following:

- A request to formally initiate consultation under Section 106 of the National Historic Preservation Act of 1966, as amended, and its implementing regulations;
- A separate description of each project, including the work to be performed, whether there are any ground disturbances, and whether new structures will be constructed;
- A description of the buildings, structures, or properties that may be affected by the proposed project and an evaluation as to whether these buildings, structures, or properties are eligible for preservation under the NHPA as a historic resource and listed or eligible to be listed in the National Register of Historic Places administered by the National Park Service;
- A determination of effect of project's impact on buildings, structures, or properties listed or eligible for listing in the National Register of Historic Places; and

- A copy of maps, color photographs, plans, etc. to support the request.

Attachment 4, which was obtained from the Office of Historic Preservation, provides additional information on the minimum information required by the SHPO to initiate the Section 106 consultation.

Additional information on the NHPA and the SHPO responsibilities is available from the web site of the Office of Historic Preservation at <http://ohp.parks.ca.gov/>.

If the SHPO concludes that the project will have no adverse effects on any historic resources, it will issue the Applicant a written response to this effect. Copies of the Applicant's letter of request to the SHPO and SHPO's written response must then be forwarded to the Energy Commission for its subsequent submission to DOE.

## ATTACHMENT 4

### MINIMUM INFORMATION NECESSARY FOR SECTION 106 REVIEWS OFFICE OF HISTORIC PRESERVATION

Upon receipt of materials, SHPO review staff looks for the following information:

- The date of construction of buildings / structures to be renovated, occupied, removed, or demolished.
- A project description. The description should include sufficient detail for staff to assess the project's potential to affect historic resources. If the project is a "design build" undertaking, we request that the applicant provide any details or alternatives that have been proposed to date.
- A map clearly demarcating the project area.
- Photographs of the both the direct Area of Potential Effect (APE) and the indirect APE.
- If ground disturbance is required or the building or structure is over 50 years of age, staff will request the agency conduct a search of the California Historical Resources Information System (CHRIS). We then request the agency submit the results of the search to our office. (Note: the CHRIS search costs \$130/hr. and not all Centers are open five days/week.)

Ground disturbance will also necessitate that the agency show proof, pursuant to 36 CFR Part 800.3(f) (2), of Native American consultation. SHPO staff direct the applicant to contact the Native American Heritage Commission and request a list of tribal groups or entities that should be notified of the project. Once the agency has contacted each group on this list, we request copies of the contact letters as proof of consultation.

If any of the above information is not included, SHPO staff will contact the applicant and request this information. The **30-day review clock resets each and every time we need to solicit additional information**. Should it be determined there is an adverse effect to any historic resource, the Advisory Council is notified by the agency and negotiations begin to find ways to avoid, minimize, and mitigate the adverse effects to the historic resource (36 CFR § 800.6). These mitigation measures are memorialized between the appropriate parties (e.g., the federal agency, the SHPO, the Advisory Council and others) in either a Memorandum of Agreement or a Programmatic Agreement. There is **NO TIME LIMIT** for the preparation of an agreement document.

There is **NO "post-compliance"** in the federal regulations.

## ATTACHMENT 5

### CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) INFORMATION

CEQA requires state and local agencies (public agencies) to identify the significant environmental impacts of their actions and to avoid or mitigate them, if feasible. For an explanation of the CEQA process, please visit: [www.ceres.ca.gov/ceqa/more/faq.html](http://www.ceres.ca.gov/ceqa/more/faq.html)

Applications selected for loan funding may meet the definition of a “project” for purposes of CEQA. (See Public Resources Code section 21000 et seq.) If the project is exempt, the applicant will file a Notice of Exemption at the Governor’s Office of Planning and Research. Exemptions are listed in:

Title 14 Code of California Regulations sections 15260 – 15285 (statutory exemptions)

Title 14 Code of California Regulations sections 15300 – 15333 (categorical exemptions)

(See reference below to entire CEQA statute and Guidelines, where the text of the exemptions can be reviewed).

If no exemption applies, certain CEQA requirements (such as preparation of an initial study, a negative declaration, or an environmental impact report) must be met.

Sample forms can be found on the Governor’s Office of Planning and Research website:

- Notice of Exemption form:  
[http://www.opr.ca.gov/planning/publications/NOE\\_2006.pdf](http://www.opr.ca.gov/planning/publications/NOE_2006.pdf).
- Notice of Determination:  
[http://www.opr.ca.gov/planning/publications/NOD\\_2006.pdf](http://www.opr.ca.gov/planning/publications/NOD_2006.pdf)
- Other forms and publications:  
<http://www.opr.ca.gov/index.php?a=planning/publications.html#pubs-N>

The entire CEQA statute and Guidelines current as of January 1, 2009 can be found at:

<http://www.califaep.org/userdocuments/File/2009%20CEQA%20Statute%20and%20Guidelines2.pdf>

**Arnold Schwarzenegger**  
Governor



## **California Energy Commission**

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**Chairman**

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**Vice Chair**

**Commissioners**  
Jeffrey D. Byron  
Robert Weisenmiller, Ph.D.  
Anthony Eggert

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**Executive Director**

July 26, 2010  
CEC-400-2009-010-3PERCENT-REV1